



Implementation of SB 1122 Rulemaking (R.) 11-05-005

**Meeting Of The California
State Board Of Food And
Agriculture**

**California Public Utilities Commission
Megha Lakhchaura
July 1, 2014**





Presentation Outline

- Overview of SB 1122 legislation
- Where does SB 1122 fit within the RPS Program?
- SB 1122 proceeding timeline
- Overview of SB 1122 Staff Proposal





SB 1122: Overview of Legislation

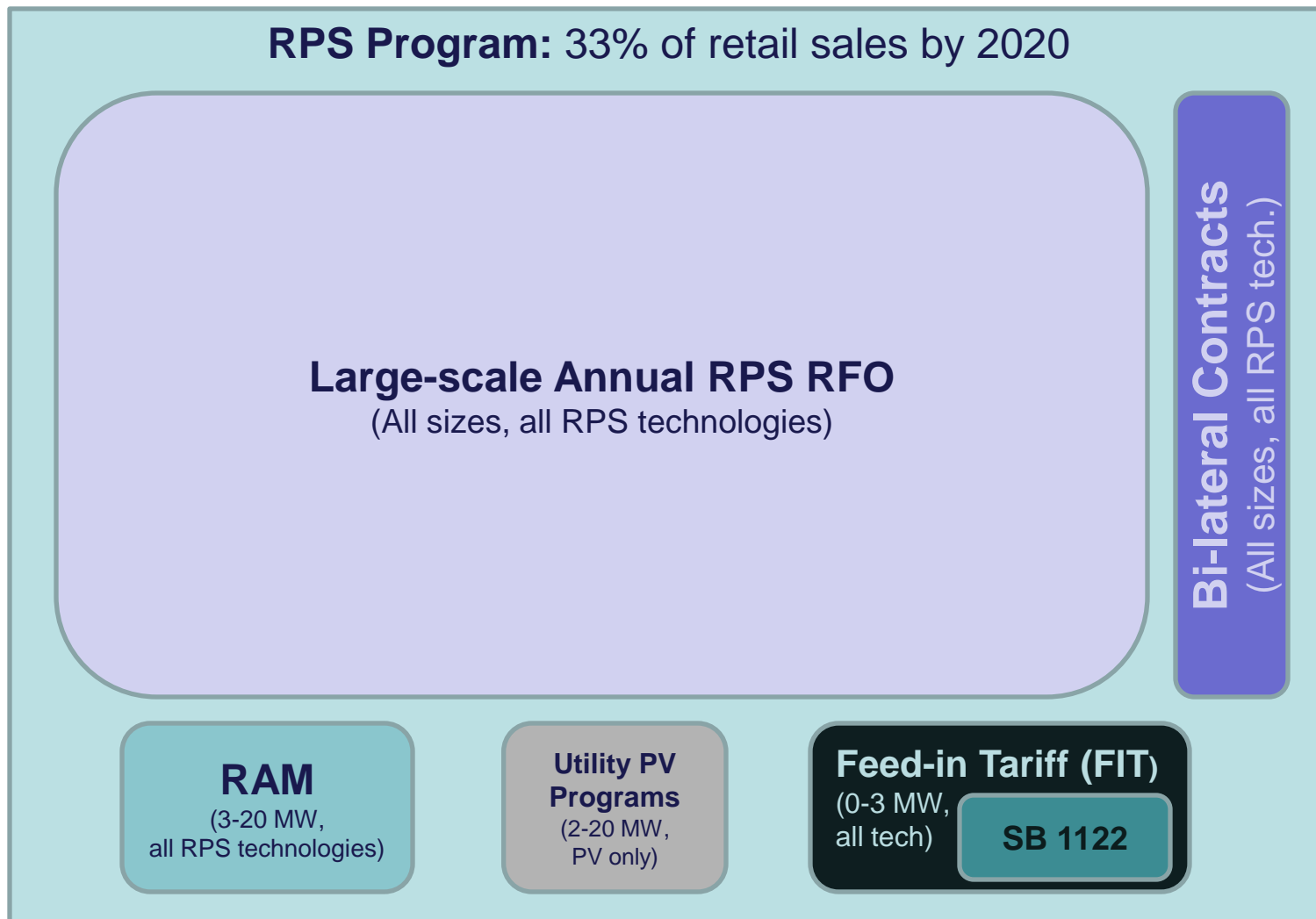
SB 1122 creates a 250 MW carve-out for new bioenergy facilities within the RPS FIT program.

- SB 1122 (2012) – FIT for Bioenergy
 - **Program Size:** 250 MW
 - WWTP, Food waste, organic waste, codigestion: 110 MW
 - Dairy and Ag Bioenergy: 90 MW
 - Forest Bioenergy: 50 MW
 - **Eligibility:** New projects up to 3 MW
 - **Note:** For the 50 MW of forest biomass, SB 1122 directs the CPUC to determine the allocation of those MWs based on the resource potential from sustainable forest management in fire threat treatment areas, as designated by Cal Fire.





Where does SB 1122 fit within the RPS Program?





Timeline of Events: SB 1122

- **September 2012:** SB 1122 (Rubio) signed into law
- **April 2013:** CPUC staff releases draft consultant study from Black & Veatch titled *Small-scale bioenergy: resource potential, costs, and feed-in tariff implementation assessment*
- **May 2013:** CPUC staff workshop on the draft consultant study
- **June 2013:** Informal written comments filed in response to the workshop and draft consultant study
- **Nov. 19, 2013:** CPUC Administrative Law Judge(ALJ) issued ruling w/questions + Staff Proposal on SB 1122 and final consultant study
- **April 29, 2014:** ALJ issued CalFIRE proposal entitled “Forest Derived Biomass Supply Eligibility Under Section 399.20 of the Public Utilities Code” for public comment (to determine definition of “sustainable forest management”
- **June 20, 2014:** Comments received on proposal





Overview of SB 1122 Staff Proposal

- **Interaction with Existing Feed-in Tariff.** SB 1122-eligible projects must seek a contract pursuant to SB1122 tariff, not the existing FIT which the CPUC has already implemented.
- **Allocation of 250 MW by Utility:**

Utility	Category 1: Wastewater, Food processing, organic waste, codigestion	Category 2: Dairy and other ag bioenergy	Category 3: Forest bioenergy	Share of Statewide Peak Demand
PG&E	30.5	33.5	47	110.78
SCE	55.5	56.5	2.5	114.53
SDG&E	24	0	0.5	24.68
SB 1122 Procurement Targets:	110	90	50	

- **Commence operation:** Limits eligibility to new projects that achieve commercial operation after June 1, 2013.





- **Resource eligibility:** Staff proposes detailed definitions for the statutory resource terms to determine SB 1122 eligibility.

- Category 1:

- **Wastewater.** Biogas from wastewater treatment plants.
- **Food processing.** Biogas from “food manufacturing” activities as defined by NAICS.
- **Municipal organic waste diversion.** Staff proposes a composite definition based on integrated waste management board regulations.
- **Codigestion.** Biogas from digestion of multiple substrates or feedstocks, provided the feedstock does not originate primarily from dairy (less than 50% of fuel source)

- Category 2:

- **Dairy.** Bioenergy where more than 80% of feedstock sourced from dairy cattle manure.
- **Other agricultural.** Staff proposes a definition based on the definition of “agricultural power service” as agreed to by parties in a settlement agreement earlier this year.

- Category 3:

- **Byproducts of sustainable forest management.** Proposes adoption of a definition provided to CPUC staff from CAL FIRE staff.

- **Determination of SB 1122 category:** Generators make attestation at the time of application to Feed-in Tariff program.

- **Maintenance of SB 1122 category:** Proposes modifying FIT contract to require annual auditable reporting of fuel sources.





- **Multiple-feedstock facilities:** 80/20 feedstock split proposed.
- **Proposed starting price:** \$124.66/MWh (pre-time of delivery)
- **Proposed price structure:**

		PG&E	SCE	SDG&E
Generation Profile	Baseload	Separate ReMAT	Separate ReMAT	Separate ReMAT
	Peaking	Separate ReMAT	Separate ReMAT	Separate ReMAT
	As-available	Separate ReMAT	Separate ReMAT	Separate ReMAT
SB 1122 Bioenergy Category	(1) Wastewater, food processing, organic waste, codigestion	Separate ReMAT Mechanism to set one statewide Category 1 price		
	(2) Dairy and other agricultural bioenergy	Separate ReMAT Mechanism to set one statewide Category 2 price		
	(3) Byproducts of sustainable forest management	Separate ReMAT Mechanism to set one statewide Category 3 price		





Thank you!
for additional information:

Contact Details:

Megha Lakhchaura

megha.lakhchaura@cpuc.ca.gov

Phone: 415-703-1183

Resources:

**[http://www.cpuc.ca.gov/PUC/energy/Renewables/hot/SB_1122
Bioenergy_Feed-in_Tariff.htm](http://www.cpuc.ca.gov/PUC/energy/Renewables/hot/SB_1122_Bioenergy_Feed-in_Tariff.htm)**

